

INSTITUTE OF CHARTERED SHIPBROKERS – LINER TRADES

Sessions 5 + 6

Trades, Services and Carrier Co-operation

Hellenic Management Centre – Feb/Mar 2021

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Course Outline

- (1) Introduction – Liner Shipping and the Container Revolution
 - (2) Liner Ships
 - (3) Ports, Terminals and Cargo Handling
 - (4) Through transport systems – containers and intermodal transport
 - (5) Container Lines and their networks – co-operation
 - (6) Container Lines and their networks – service structures
 - (7) Types of businesses in the liner sector – structure and organization
 - (8) Bills of Lading and other contractual documents
 - (9) Contracts between sellers and buyers
 - (10) Revenue and Costs in the Liner Business
 - (11) The Future for Liner/Container shipping
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Topics for this session

- Key trade routes
 - Carrier Co-operation
 - Historically through conferences
 - Now through Vessel Sharing Agreements (VSAs)/Alliances etc
 - How Alliances work - examples
 - Benefits/disbenefits to all parties of VSAs/Alliances
 - Competition Law and its impact on lines and their co-operation
 - How services are structured – weekly fixed day, end to end, hub and spoke, pendulum, round the world
 - Examples of container services in key trades
 - Impact of vessel size
 - Slow steaming
 - Canals and Bridges
 - Landbridges
 - Trade profiles
-

World Container Traffic – 2019

(TEU = Twenty Foot Equivalent Unit)

Loaded Container flows =

222.2m TEU

Total containers lifted =

801.7m TEU

Reconciliation of figures:

Loaded flows x 2 = 444m)

Loaded transshipment = 154m) = 802m

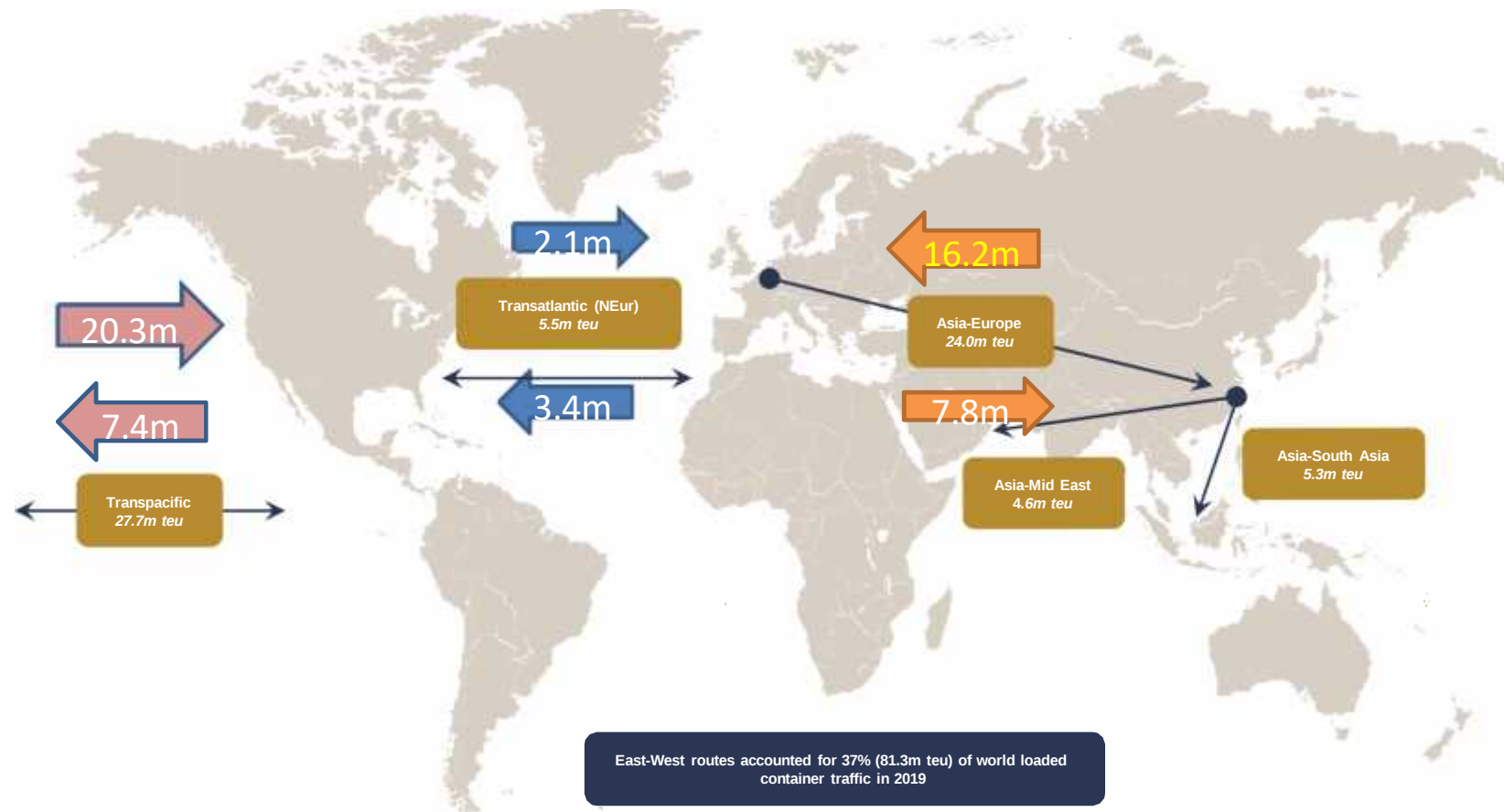
Empties = 204m)

WHICH ARE THE MAIN TRADES?



EAST/WEST TRADES

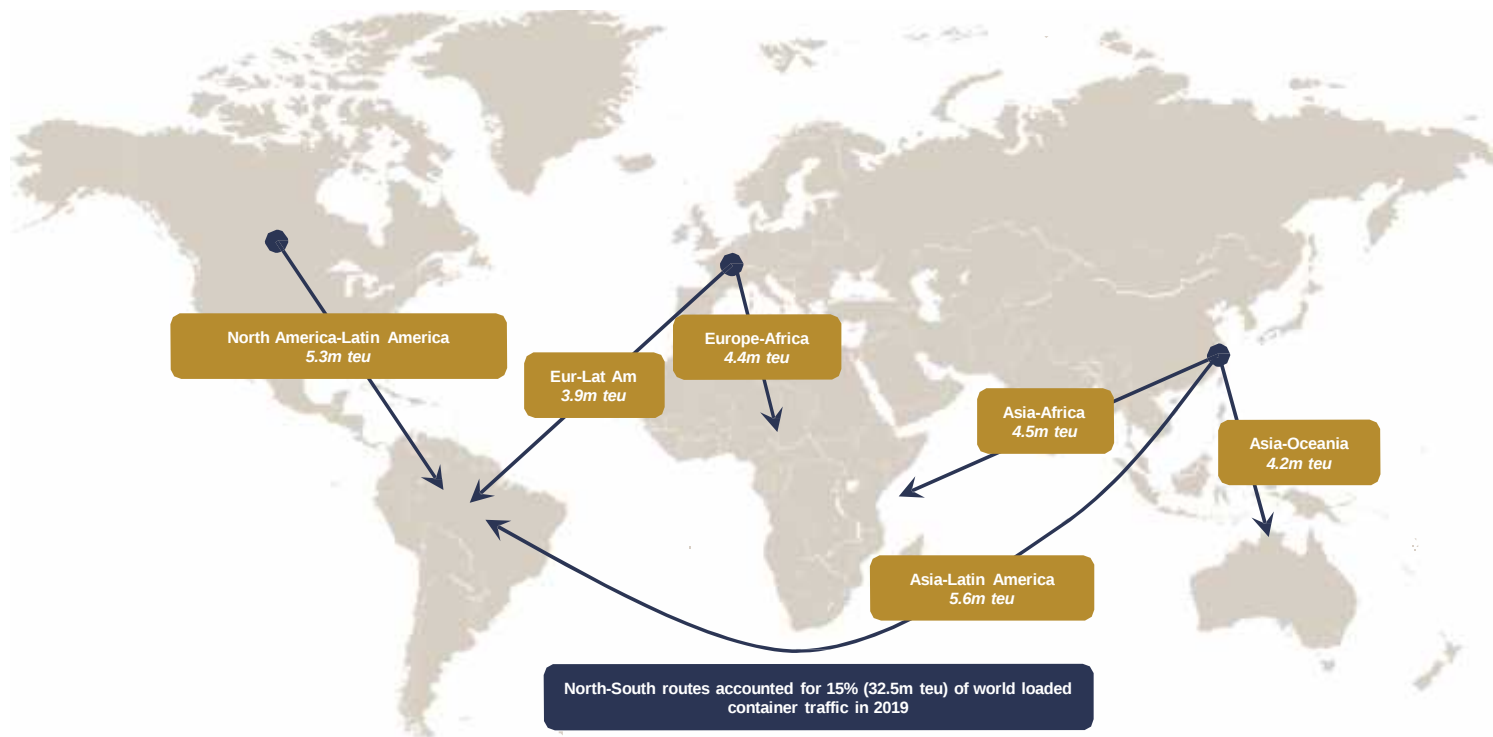
Containerised seaborne trade volumes 2019



Source: Drewry Maritime Research

NORTH/SOUTH TRADES

Containerised seaborne trade volumes 2019



Source: Drewry Maritime Research

INTRA-REGION TRADES

Containerised seaborne trade volumes 2019



Source: Drewry Maritime Research

CARRIER CO-OPERATION CONFERENCES, VSAs and ALLIANCES



Liner Shipping Conferences

- What is (was) a shipping conference?
 - A group of shipowners on a particular trade route who agreed to co-operate
 - Co-ordinate the sailings of their ships so as to provide a regular service for customers
 - Charge the same rates of freight (and other terms and conditions) to customers
- First conference in 1875 between UK and Calcutta
- Justified by the stability they brought to shipping services/rates which benefited trade – various investigations by governments in the 20th century supported their continued operation
- They **were** monopolies! – needed exemption from Competition Law in order to operate (*more about this later*)
- What undermined their existence?
 - New independent lines which operated outside the conference structure e.g. MSC, Evergreen
 - Lines preferred to negotiate rates with their own customers, rather than just apply conference rates
 - Regulators put restrictions on how conferences operated e.g.
 - EU outlawed conference inland haulage tariffs
 - USA allowed conference tariffs, but obliged lines individually to negotiate confidential service contracts with customers (OSRA 1998)
- Conferences made illegal in EU in 2008, still permitted in other jurisdictions
- Transpacific Stabilisation Agreement wound up voluntarily by the lines in 2018
- Of very limited importance in other trades

Containerisation brought closer operational co-operation between lines

- Larger ships post containerisation meant fewer ships; individual lines could not operate a frequent/regular service by themselves in the deep sea trades
- Early co-operation (1970's) involved lines 'pooling' not only their ships, but sharing their revenue and costs – these were termed 'consortia' or 'joint ventures'.
- These were set up trade by trade, according to a line's historic market strength in each trade (and often based on conference membership)
- In some cases, the consortium has its own 'brand' rather than the line selling its service under its own name
- These highly integrated models required joint decision making and a lot of bureaucracy!
- In the 1980's, lines felt that these arrangements inhibited their freedom to promote and develop their own multi-trade business – but **few were big enough to operate without any partners**
- So the joint arrangements became 'looser' and just focused on co-operating on the port to port service.
- Possible models:
 - **Slot Charter Agreement:** One line provides all the ships and runs the service – chartering slots to other lines
 - **Slot Swap Agreement:** two separate services operated by the lines – exchange slots between services
 - **Vessel Sharing Agreement** – see following slides

Vessel Sharing Agreements (VSAs)



- Few lines are big enough to operate independently in the main deep sea trades
- Lines co-operate to operate joint services
- A common model is the **vessel sharing agreement (VSA)**
- Lines 'pool' their ships, and operate a common schedule, sharing space on all sailings
- VSAs are organised trade route by trade route
- Scheduling decisions, changes in ships deployed, allocations etc. need to be taken jointly
- Simplest form only involves swapping space, no cash changes hands
- In practice, complex cost sharing arrangements are needed to ensure that each line pays a 'fair' share of ship, bunker and port costs
- Lines need VSAs in order to optimise maximum economic vessel size together with frequency of service
- However the downside is slower decision making/bureaucracy/loss of freedom of action

How VSAs work

Asia/N Europe loop
12 ships 84 day round
voyage

12,000 TEU ships

Line A 6 ships

Line B 4 ships

Line C 2 ships

Allocation on each weekly sailing
(irrespective of which line's ship)

Line A $6/12 =$ 6000 TEU

Line B $4/12 =$ 4000 TEU

Line C $2/12 =$ 2000 TEU

Total 12000 TEU



More complex if:

- Different sizes of ships on the same loop
- Lines swap space between loops
- Lines can trade space for cash
- Day to Day scheduling decisions means that different ships may call at different ports



Alliances

- Same principle as a VSA, **but**
- A single agreement covering the main three (or four) E/W Trades
 - Asia/Europe (North Europe and Med)
 - Asia/North America (East Coast and West Coast)
 - North Atlantic
 - Asia/Middle East (two out of three Alliances)
- Vessels pooled (shared) across all the Alliance trades
- Require more complex cost sharing arrangements
- Looked upon as a more strategic arrangements than a single trade VSA
- Alliances now dominate in the Asia/Europe and Trans Pacific trades driven by the importance of economies of scale and high frequency services

History of Alliances



- First Alliances in the 1990s when lines started to see the advantages of stable co-operative arrangements
- By the end of the 1990s
 - Grand Alliance – NYK, Hapag Lloyd, OOCL, P and O Nedlloyd (until 2006, when acquired by Maersk), MSC (until 2006 when they left the alliance trades)
 - New World Alliance – APL, MOL, Hyundai
 - CKYH (sometimes called the Green Alliance) – COSCO, K Line, Yang Ming, Hanjin
- Other lines operated independently (Maersk, MSC) or made ad hoc sharing arrangements (CMA CGM, Evergreen)
- By 2014, with more ULCVs operating, even Maersk and MSC realised that an alliance would be beneficial
- Maersk/MSC/CMA CGM announced a 'mega alliance' called **P3**
- Approved by EU and USA regulators, but banned by Chinese Ministry of Commerce, for having too high a market share!
- Next slide gives the outcome of this!

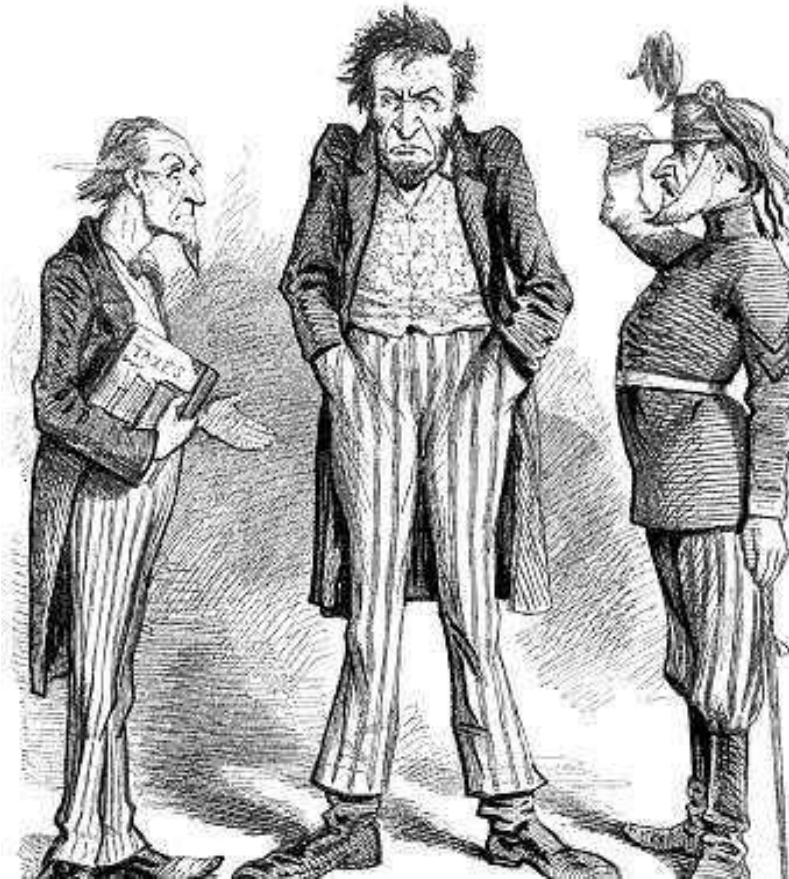
Why have Alliances?



Source: Punch Magazine

- Optimise scale across the main trades (frequency + size of vessels)
- Lines benefit from reduced unit costs in employing larger vessels
- Flexibility between trades (switching ships, pendulums etc)
- Shippers benefit from
 - Cost savings being passed on
 - Frequency of service
 - Choice of carrier is retained
- Stability of arrangements – taking a longer term view

But Alliances have their limitations



Source: Punch Magazine

- Co-operation and cost benefits limited to port to port vessel network
- Different terminal interests, and choice of hub ports
- Bureaucracy and slow decision making
- Joint approach to long term tonnage plans hard to achieve
- Mergers and acquisitions throw Alliances into disarray

COMPETITION LAW



Impact of Competition Law on Carrier Co-operation (1)

- Most countries have 'Competition' or 'Anti Trust' Law which controls co-operation between competitors, and prevents a company, or a group of companies from abusing a dominant position.
- Conferences were always regulated, because they both fixed prices, and controlled capacity – activities which are typically banned by competition law
- However, VSAs and Alliances are also agreements regarded as limiting competition – theoretically there would be more sailings by individual lines if they did not have common sailing schedules through VSAs/Alliances
- Even though alliance members cannot co-operate on pricing (in any form) they are regarded as having 'market power' because of the amount of capacity in any trade controlled by each of the alliances
- Each country has different ways of controlling/overseeing co-operation between lines

Impact of Competition Law on Carrier Co-operation (2)

European Union

- Treaty of Rome has highly developed system of Competition Law, which for cross border industries generally over-rides any national competition law.
- To avoid application of EU Competition Law, types of agreements need some form of **exemption**. Very few industries get these!!
- Conferences were exempt by Block Exemption 4056/86, but this was repealed in 2006 (coming into effect from 2008)
- Joint Service Agreements (including alliances) are covered by the Consortia Block Exemption Regulation. This typically runs for 4 or 5 years, and then has to be renewed. It has just been renewed until 2024 (in spite of opposition from the European Shippers Council).
- The Regulation lays down a number of conditions which the agreement must comply with in order to be exempt; in particular, the market share covered by the lines in the agreement on any particular (European) trade cannot exceed 30%.
- All aspects of Competition Law, including this block exemption, are overseen by the Competition Directorate of the European Commission (DG COMP)

Impact of Competition Law on Carrier Co-operation (3)

USA - Federal Maritime Commission (FMC)

- Federal Law provides liner shipping with exemption from the over-riding 'Anti Trust' laws in the USA. The FMC was set up as a separate agency to oversee adherence to these laws. Other Anti-Trust cases fall under the Department of Justice.
- Main pieces of legislation:
 - US Shipping Act 1984
 - Overseas Shipping Reform Act (OSRA) 1998
- All agreements have to be filed with and approved by the FMC. The legislation lays down conditions which the agreements have to meet, and day to day procedures which the lines must abide by
- The FMC is concerned about Alliances' market power, and the ability of the lines to 'control' aspects of the market, even if they don't act jointly.
- Recent concerns which the FMC has or is investigating:
 - Alliances having joint negotiations with container terminals (this is not allowed)
 - High detention and demurrage charges
 - Lines refusing to lift USA Agricultural exports, and sending empty containers instead back to Asia

SERVICES AND SCHEDULE PATTERNS



Container Services



Weekly loops

Multiple loops possible
on a trade route

Number of vessels
required:
e.g. 63 day round
voyage = 9 vessels

Similar or same size
vessels preferable

Why are most services weekly/fixed day?

- Securing terminal berthing windows
 - Suits many customers' supply chains
- BUT
- Difficult to add incremental capacity, as just adding one vessel to a loop will not work
 - Alternatives to add capacity are:
 - Increase vessel sizes in the loop (phase in/out time and cost)
 - Or
 - Add an extra loop – which probably adds too much capacity
 - Other solutions to vary capacity may involve working with other lines/integrating with other trades

Types of Services

- End to End Services
- Hub and Spoke
- Pendulum
- Round the World
- Interlining (alternative to hub and spoke) – also referred to as 'Relay'
- Double dipping

End to End Schedule

Direct calls at USEC and West Med ports



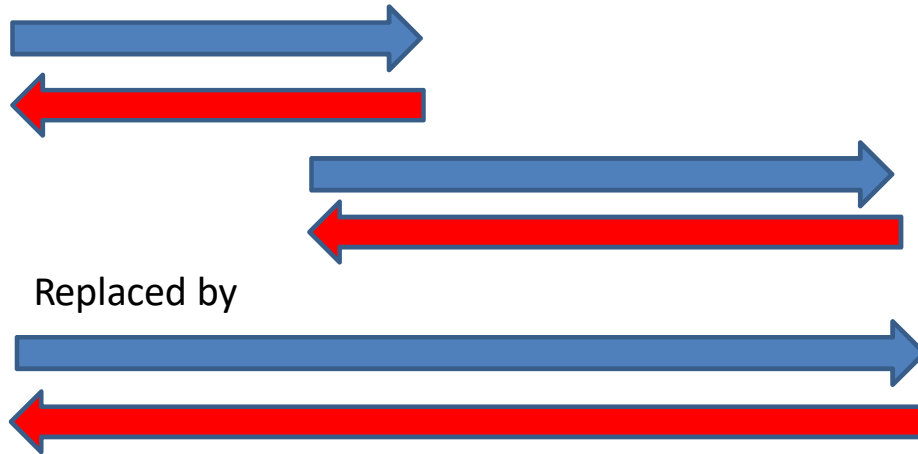
Hub and Spoke Schedule

Six hub ports + direct calls in N Europe and Asia



Pendulum Service

Middle East – Asia + Asia – WCNA



- Fewer ships needed
- More area to area connections

BUT

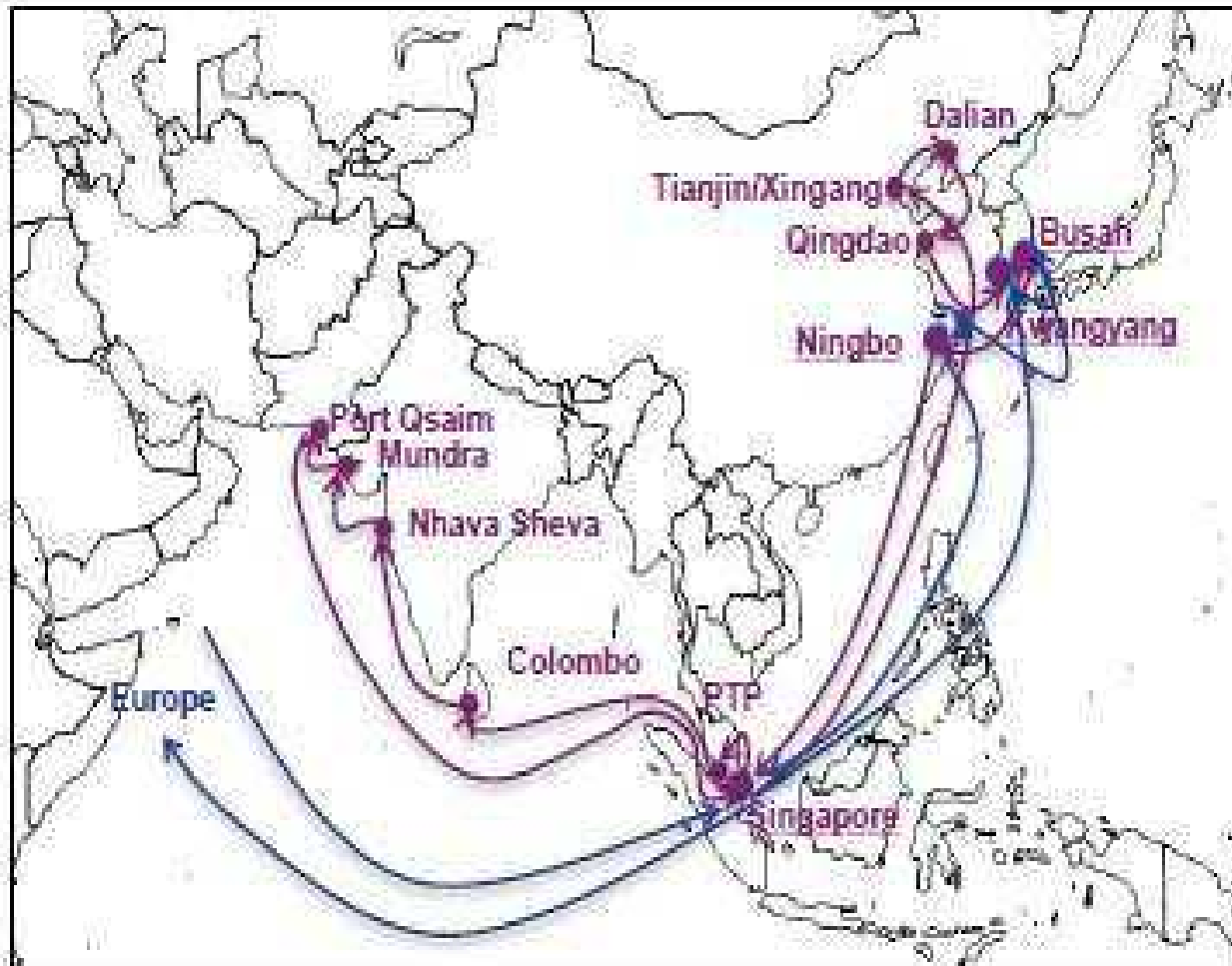
- More challenges to stow the ship – load/discharge on same call at many ports
- No flexibility to adjust ship size on only one part of the route

Round the World Service

Asia – ECNA – out via Panama, back via Suez or CGH



Interlining (Relay)



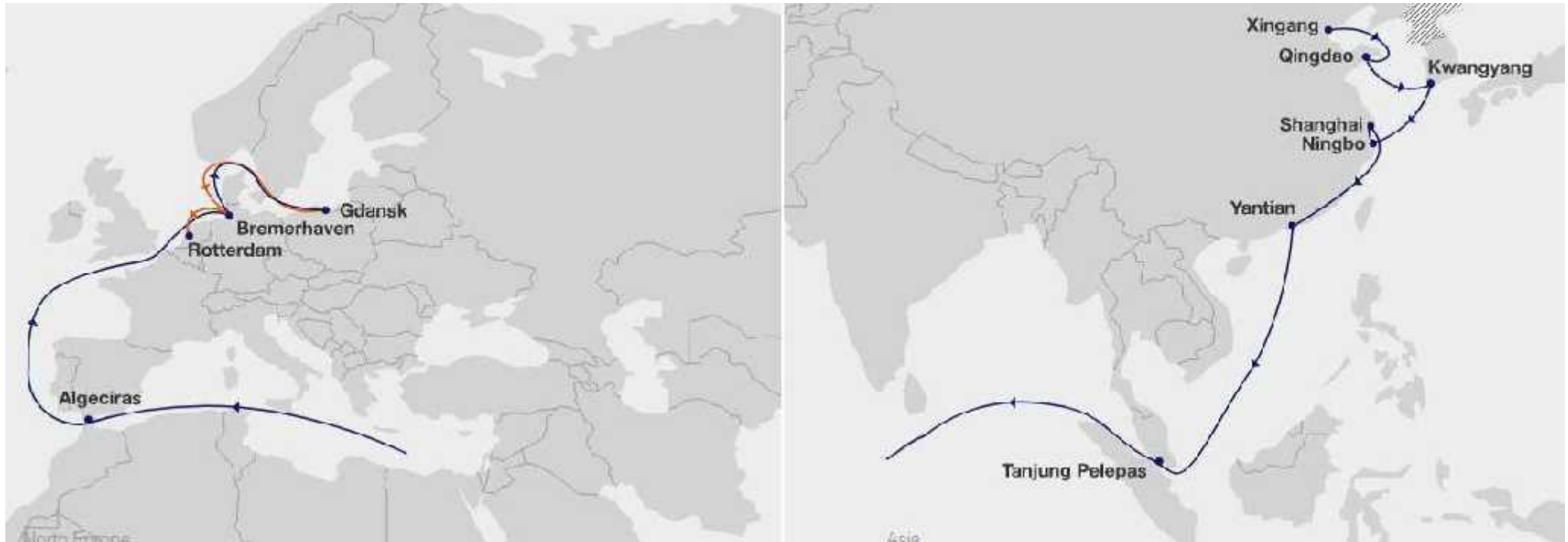
Two loops:
Xingang-Dalian-
Qingdao-Kwangyang
-Busan to India

Kwangyang-Busan-
Ningbo-Singapore
to Europe

Opportunity to
Interline cargo from
Xingang/ Dalian/
Qingdao to Europe

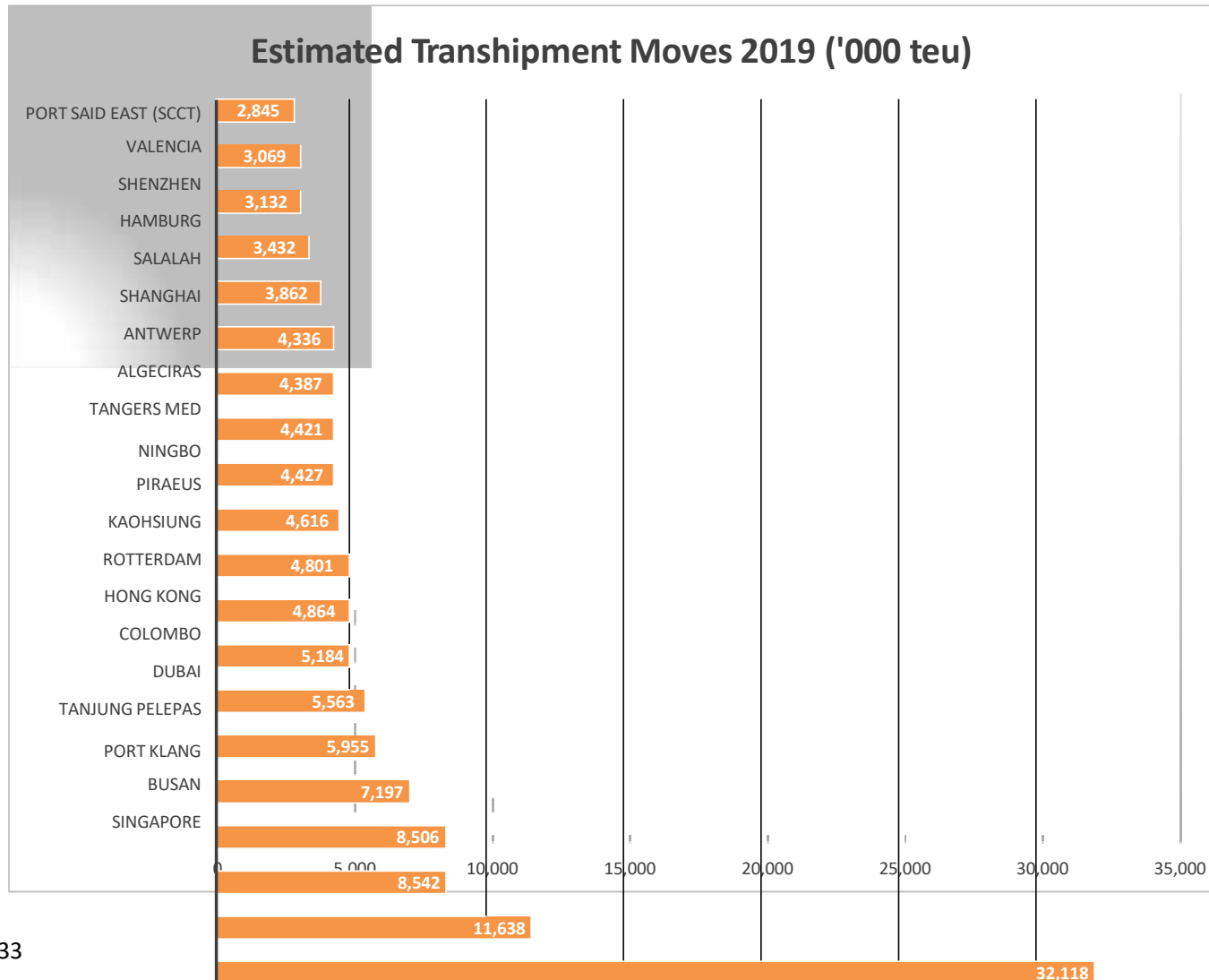
Possible interlining
ports:
Kwangyang, Busan,
Ningbo, Singapore

Double Dipping



- Cargo from Asia discharged at Algeciras (for local hub and spoke feeder, or interlining to e.g. West Africa)
- Cargo from e.g. West Africa loaded at Algeciras for discharge in North Europe

Ports with highest transshipment volumes (2019)



SE Asia hubs dominate:

- Singapore
- Tanjung Pelepas
- Port Klang

Chinese Hubs – boosted by Chinese coastal cargo

North Europe:

Hamburg/Rotterdam/Antwerp – feeding to Scandinavia/Baltic/UK(north)/Ireland

Mediterranean:

Piraeus/Tanger Med/Algeciras/Valencia/Port Said East

Middle East:

Dubai (Jebel Ali), Salalah

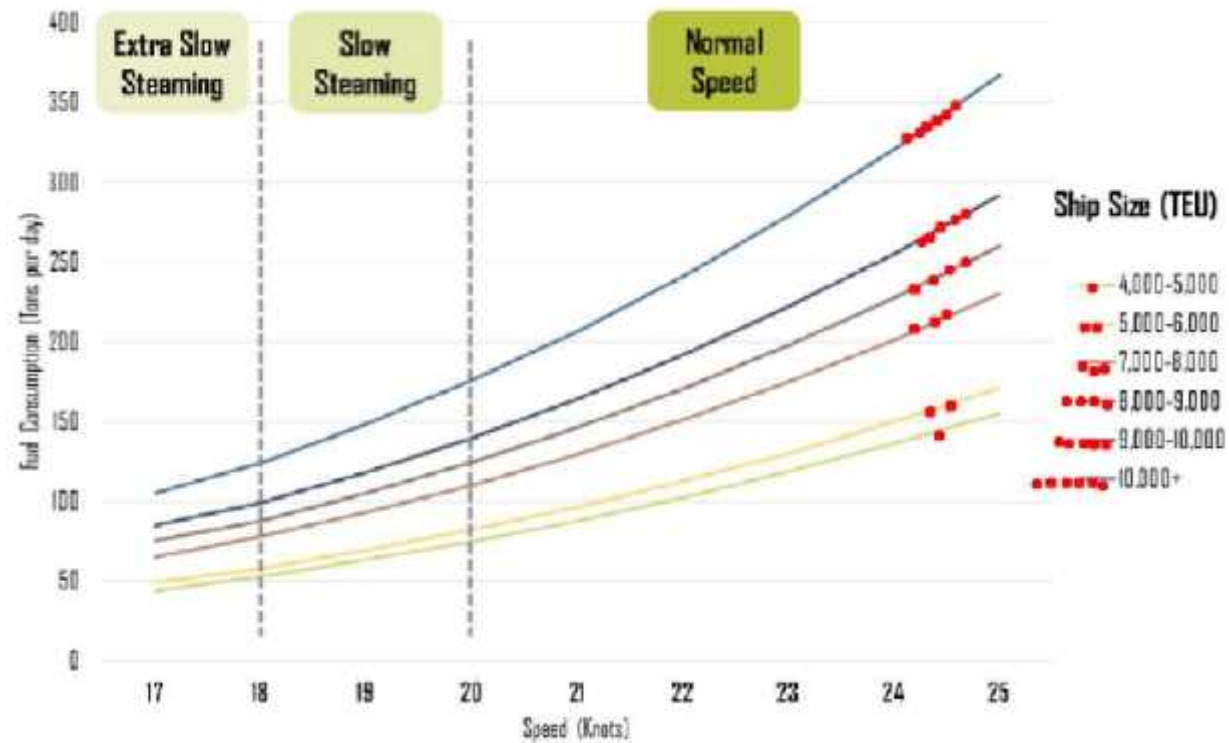
Full Speed or Slow Steaming?



Full Speed 9 ships round voyage = 63 days speed 24 knots

Slow Speed 12 ships round voyage = 84 days speed = 16 knots

Bunker Consumption varies with Service Speed



Fuel Consumption by Containership Size and Speed

Changes in Bunker Prices (\$ per tonne) (IFO at Rotterdam)



Source: Drewry Maritime Research

Rationale for Slow Steaming

- Originally introduced as a way to use up spare ships after the Global Financial Crisis
- Removes surplus capacity (from total fleet – not from the service)
- Saving in bunker costs through slow speed steaming outweighs the cost of extra vessels
- Weekly service maintained
- Cost savings lead to lower freight rates
- Increased reliability (speed reserve can be used to catch up time lost due to delays)
- Environmentally beneficial (less CO2 emissions)

BUT

- Longer supply chain for customers due to **extended transit times** (cost to customer of goods in transit)
- Difficult to make changes once slow steaming has been introduced – all terminal berth windows will need to be renegotiated

Bayonne Bridge – New York/New Jersey

now no air clearance limits



- Navigational clearance – completed mid 2017
- Size limit previously around 7000-8000 TEU vessel size
- Project Completion – Mid 2019 (two years late)

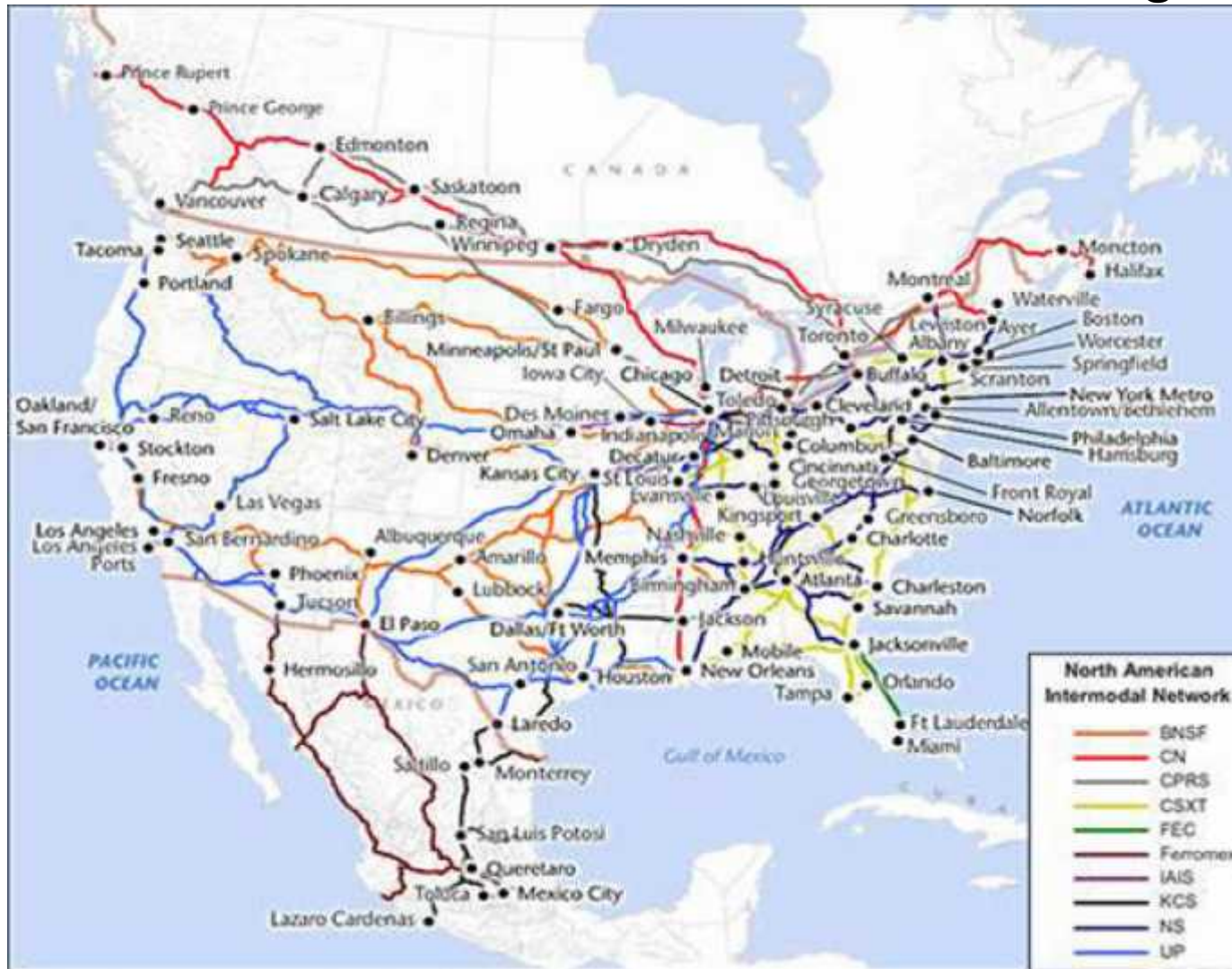
CHANGES DUE TO PANAMA CANAL EXPANSION

- Rapid upsizing of vessels on main routes via canal
 - Asia/ECNA via Panama
 - Europe/WCSA
 - Expansion/Dredging programmes for US East Coast ports
 - Vessels at least 14,000 TEU on Asia/ECNA route
 - More hub and spoke at Panama/Caribbean hubs
 - More Pendulum/Round the World Services
 - ?changed balance between Intermodal and All water market shares in Asia/ECNA trade
 - More Classic Panamax vessels transferred to other trades/scrapped
-

LANDBRIDGES

- Alternatives to all water routes
 - Can be Sea – Land – Sea, or
 - Sea – Land
 - Shorten distances
 - Faster transit times (due to shorter distances/higher speed on land)
 - Generally higher rates/costs to pay for shorter transit times (but reverse was true of Trans Siberian Landbridge in 1970s/80s – low cost/long transit times)
 - BUT
 - Higher risk of delays due to extra transfers
-

US Intermodal Services - Land Bridges



New Silk Road Routes from China to Europe



Deutsche Bahn reported:

400 trains China – Germany in 2015

30,000 containers in 2015 – plans to increase to 100,000 pa

New Silk Road Routes from China to Europe



BBC reported:

First direct train from China to UK in January 2017

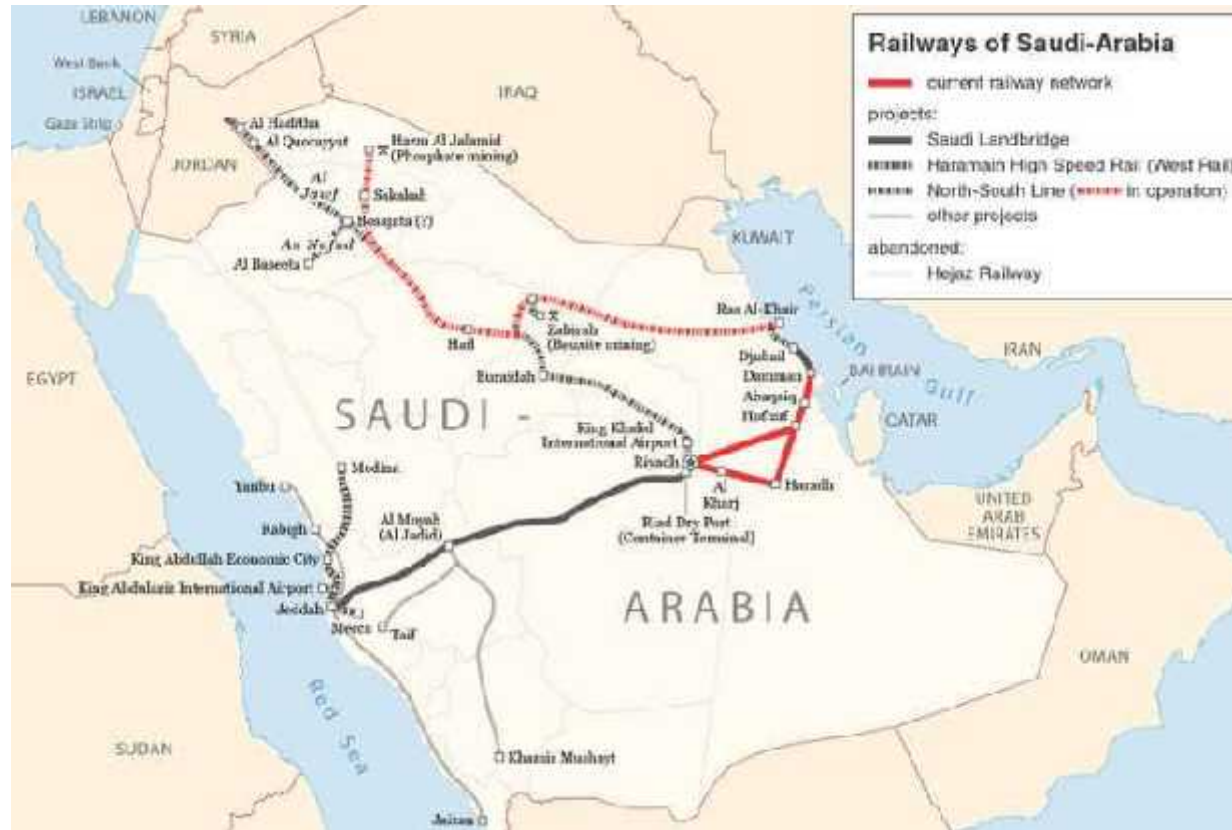
Transit = 2 weeks

Cargo = clothes, bags, and other household items

Service passes through Kazakhstan, Russia, Belarus, Poland, Germany Belgium and France

Different rail gauges, so containers have to be reloaded

Saudi Arabia Land Bridge



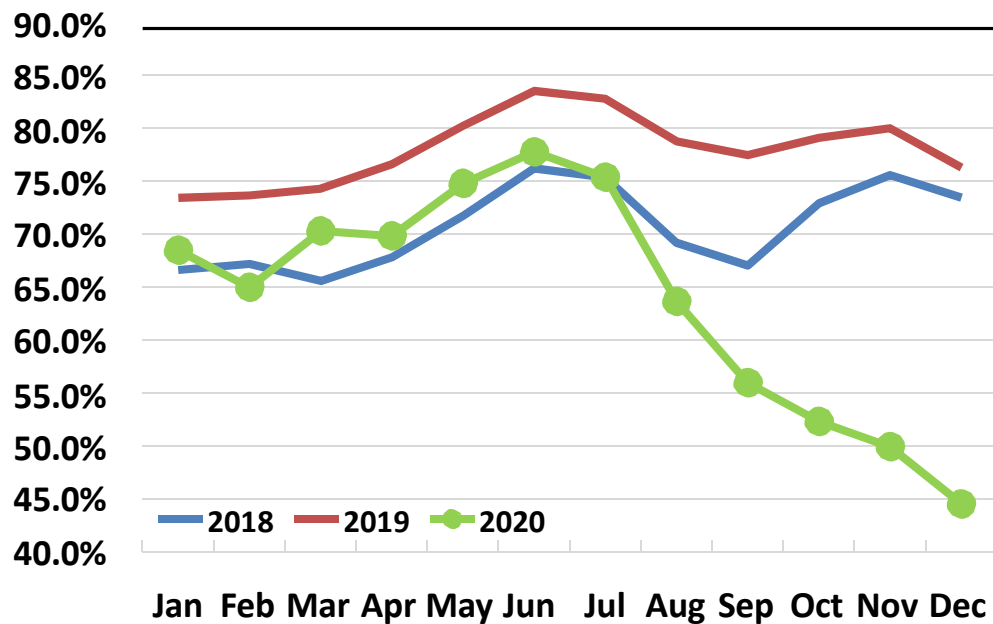
Announced in 2008, but construction on new track from Jeddah to Riyadh not yet started (according to Railway Gazette)

SCHEDULE MANAGEMENT

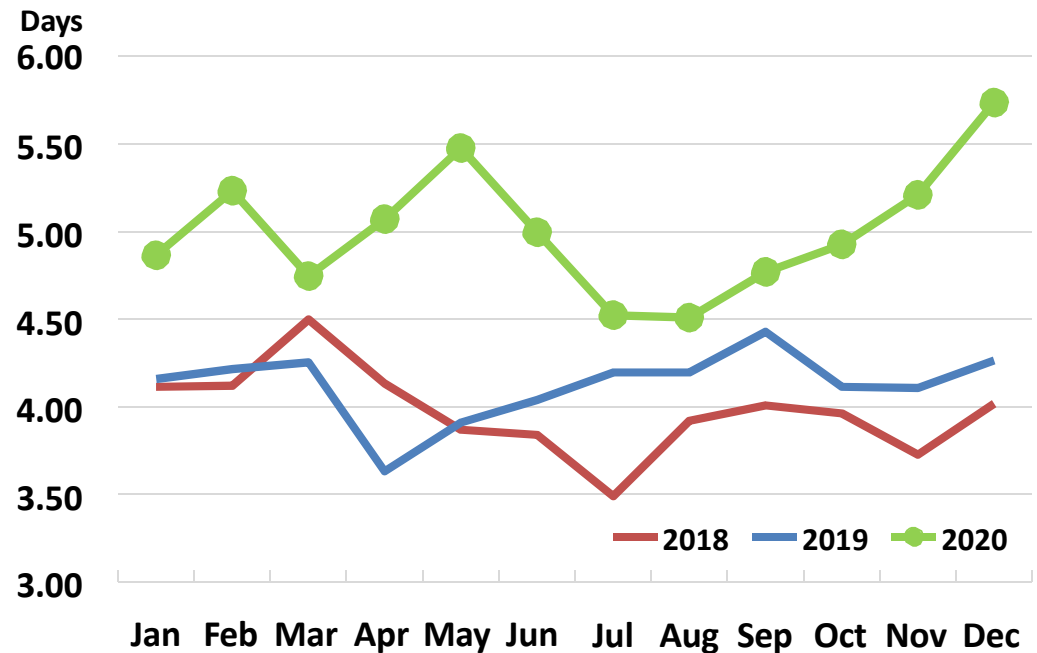


GLOBAL SCHEDULE RELIABILITY

Vessels on time % (within 24 hours)



Average Delays for Late Vessel Arrivals



CONGESTION IN PORTS

San Pedro Bay (Los Angeles/Long Beach)



(Map: MarineTraffic; as of Dec. 16)



Schedule Management

What steps can lines take for day to day schedule management?

Vessel Delays

- Omit ports (but cargo still has to be discharged somewhere)
- Leave empties behind (which brings its own problems!!)
- Add a ship to the loop (temporarily or permanently) – if ships are available - owned or chartered
- 'Schedule Sliding' but this also reduces capacity

Excess Capacity

- Blank Sailings

Restructure Services

- Change port rotations
 - Change vessel sizes
 - Change partnership arrangements
-

Schedule Management - Sliding

DAY	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																														
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- Planned weekly schedule
- Vessels are running late at the end of the round voyage
- Too difficult to catch up? – omitting ports or discharging at alternative port(s) not feasible
- 5th vessel on the above schedule is 'slid' to the sailing date of the following vessel
- All subsequent vessels then have to be slid
- Capacity of one weekly sailing is lost
- The risk is that this may have to be repeated at the end of the next cycle!!

TRADE ROUTE REVIEW

Note: Volumes quoted for 2019

Service and Vessel Data as at January 2021



Asia – Europe Trade (1)



Separate services:

Asia-North Europe

(some extended to Scandinavia/Baltic)

Asia-West Med

Asia-East Med

Asia-Adriatic Sea

Asia-Black Sea

Wayport calls:

- Jeddah/King Abdullah Port
- Salalah/Jebel Ali
- Colombo

Feeder Areas (Europe):

- Scandinavia/Baltic/Northern UK and Ireland/Atlantic France+Spain/Portugal
 - North Africa/Adriatic/Black Sea/East Med
-

Asia – Europe Trade (2)



Feeder Areas (Asia):

- Bay of Bengal/Thailand/Indonesia/Vietnam/Philippines/Japan

Interlining

- West Africa/ECSA via West Med hubs
- East Africa/Indian Ocean via Med East hubs
- Australia/New Zealand via SE Asia hubs

Services – dominated by Alliances

North Europe (number of weekly loops)

2M – 6; Ocean – 7; THE – 5

Mediterranean (number of weekly loops)

2M – 3; Ocean – 4; THE - 3

Asia – Europe Trade (3)



Vessel Size:

Largest: 23,964 teu (HMM Algeciras + sister vessels)

Average Size (North Europe): 15,161 teu

Cargo Volumes:

Westbound: 16.2m teu

Eastbound: 7.8m teu

Main Commodities:

Westbound: Finished goods (electronic, clothes and textiles, footwear, timber products) reefer (fish, prawns)

Eastbound: Paper, scrap metal and plastics, chemicals, machinery, car parts, luxury goods (cosmetics, bottled water, wine, brandy whisky)

Asia – WCNA and ECNA Trades (1)



Asia – WCNA and ECNA Trades (2)

Service Split (North America):

PNW (Pacific North West): Prince Rupert, Vancouver, Seattle, Tacoma

PSW (Pacific South West): Oakland, Los Angeles, Long Beach

USEC (US East Coast): ports from Miami to New York

USGC (US Gulf Coast): Houston, New Orleans, Mobile, Tampa (+Mexican ports in US Gulf)

Feeder Areas:

Asia (as per Europe trade)

Mexico/US Gulf Ports via Freeport/Kingston

Central America/Caribbean via Manzanillo/Freeport/Kingston

WCSA via Balboa

Vessel Sizes:

Asia-WCNA Maximum 23,656 teu, Average 9,355 teu

Asia-ECNA: Maximum 15,052 teu; Average 9,891 teu

ASIA/ECNA – DIFFERENT ROUTES



Intermodal to USEC (via competing Canadian + USWC ports)



All water via Panama
Shortest route from mid/north China
Largest vessel size = 15,052 teu



All water via Suez
Shortest route from Hong Kong/SE Asia
Largest vessel size = 15,052 teu

Balance between Panama and Suez route
has changed since opening of new locks

Asia – WCNA and ECNA Trades (3)

Volumes:

Asia to North America (WC + EC): 20.2m teu

North America to Asia: 7.4m teu

Services/Lines:

WCNA = 36 weekly loops

ECNA = 19 weekly loops

Dominated by Alliances

Main Commodities:

To North America: finished/consumer goods (electronic goods, sporting goods, home furnishing, building and garden supplies)

From North America: reefer commodities (chilled meat, fruit), waste paper, scrap, hay, almonds, dried grain

Europe – ECNA Trade (1)



Service Structure:

Montreal via St Lawrence Seaway (ice class)

North Atlantic ports (Halifax to Norfolk)

South Atlantic ports (Charleston to Miami)

US Gulf ports + Mexico

Separate North Europe and Med services

Feeder areas:

Caribbean, Central America via Freeport
(NOT via US ports)

Vessel Sizes:

Maximum size: 10,500 teu

Average size: 6,950 teu

Lines:

Alliances + ACL, ICL, Eimskip, Turkon Line

Europe – ECNA Trade (2)



Volumes:

North Europe:

Westbound: 3.4m teu

Eastbound: 2.1m teu

Mediterranean:

Westbound: 1.7m teu

Eastbound: 0.8m teu

Main Commodities:

Westbound: Foodstuffs, beer, wine, spirits, cigarettes, machinery, chemicals, car parts

Eastbound: Car parts, oil products, construction materials, forestry products, agricultural machinery

Asia – East Coast South America Trade (1)



Service Structure:

Direct services via Cape of Good Hope

One loop makes wayport call in South Africa (Ngqura)

Feeders:

Southern Argentina via Buenos Aires; Paraguay via river feeders from Buenos Aires/Montevideo;

Northern Brazil from Santos

Services/Lines

4 loops operate the trade, with lines sharing capacity through VSAs

Asia – East Coast South America Trade (2)



Trade Volumes:

Southbound: 1.4m teu

Northbound: 0.9m teu

Vessel Sizes:

Maximum 11,923 teu

Average 8,980 teu

Commodities

Southbound: vehicle parts, manufactured consumer goods, electronics, components

Northbound: Tobacco, coffee, sugar, fruit, meat, vehicle parts

Notes:

Buenos Aires is heavily draft restricted, so cannot be first/last port of call

Coastal feeders in Brazil need to be Brazilian flagged

Europe – East Coast South America Trade



Service Structure

2 x weekly loops ex North Europe) VSA Agreements

2 x weekly loops ex Mediterranean)

1 x Grimaldi conro service every 12 days

Feeders – as per other trades

Lines: Maersk, MSC, CMA CGM, Hapag Lloyd, COSCO

Vessel Sizes:

Average: 6,436 teu; Maximum: 10,034 teu

Volumes

Southbound 0.87m teu Northbound 0.84m teu

Commodities

Southbound: Manufactured consumer goods, CKD trucks and cars, chemicals

Northbound: reefer (beef and chicken), sugar, cotton
forecast products

ECNA - ECSA Trade



Service Structure

2 x weekly loops ex USEC) VSA Agreements

3 x weekly loops ex USGC)

Lines: Maersk, MSC, CMA CGM, Hapag Lloyd, ONE

Vessel Sizes:

Average: 5,083 teu; Maximum: 8,073 teu

Volumes (2017)

Southbound 0.47m teu Northbound 0.79m teu

Europe – South Africa Trade



Service Structure

2 x North Europe - South Africa weekly loops

Med ports are fed via West Med hub

1 x multipurpose service

1 x Conro service

Feeders – Walvis Bay, Mozambique ports

Lines: Maersk, MSC, ONE, DAL Maritime Carriers, Messina

Vessel Sizes:

Average: 5,201 teu; Maximum: 9,400 teu

Asia – South Africa Trade



Service Structure

5 dedicated South Africa Loops
4 call S Africa en route to West Africa
1 calls S Africa en route from

Feeders – Walvis Bay, Mozambique ports

Lines: Maersk, MSC, CMA CGM, Hapag Lloyd, COSCO, Evergreen, ONE, PIL, Zim

Vessel Sizes:

Average: 6,826 teu; Maximum: 14,952 teu

Volumes (2017)

Southbound 0.77m teu Northbound 0.50m teu

Europe – Australia/New Zealand Trade



Service Structure

1 x loop – SB via Indian Ocean, northbound via Singapore

1 x loop via ECNA and Panama

Feeders – PNG, Pacific Islands

Lines: **MSC, CMA CGM** (other lines relay cargo via Singapore)

Vessel Sizes:

Average: 6,737 teu;
Maximum: 9,572 teu

Asia – Australia/New Zealand Trade



Service Structure

Separate services from SE Asia and NE Asia

Dedicated Australia services + joint Australia/New Zealand services

(Australia is the main SB market)

Feeders – PNG, Pacific Islands

Lines: Maersk, MSC, CMA CGM, Hapag Lloyd, COSCO, Evergreen, ONE, Yang Ming, HMM, Zim, PIL, Swire, AAL

Vessel Sizes:

NE Asia - Average: 5,022 teu; Maximum: 9,662 teu

SE Asia - Average: 5,962 teu; Maximum: 10,622 teu

Volumes

Southbound 2.6m teu Northbound 1.6m teu

Questions from Past Exam Papers

Using the world map provided, describe TWO of these trade routes showing these trades and their key ports of call. Describe the size of the trade, size of vessels used and key cargoes moving in both directions:

- (a) Europe to East Coast South America
- (b) Europe to South Africa
- (c) Asia to East Coast South America

(November 2018 Q4)

Round the World, Hub and Spoke, End to End and Pendulum are all terms used to describe types of service. Using the world map provided to support your answer describe TWO of these services explaining their advantages and disadvantages.

(November 2018 Q8)
